

# **BUDGET / FACILITIES SUBCOMMITTEE MEETING**

## **MINUTES**

**Monday, January 17, 2012**

**Oliver Administration Building**

### **Present**

**Subcommittee: William O'Dell (Chair) and Diana Campbell**

**School Committee, Administration and Staff: Marjorie McBride, John Saviano, Melinda Thies, Mario Andrade and Pauline Silva**

**Guests: David Barboza and Eric Dickervitz**

**Bill O'Dell called the meeting to order at 6:37 PM. Bill said he invited David Barboza to this meeting because we are about to begin the budget process.**

### **Public Comment**

**None**

### **FY 12 Update**

**Pauline said the FY 12 budget remains strong. There will be a**

positive fund balance. A comparison to the FY 10 budget will be part of the presentation to Joint Finance. In response to Diana, Pauline explained “printing and binding” is for printing jobs sent to TAP Printing or 136 Express and for binding documents with combs. Text-binding would be covered by the “repairs” line in the library budget.

### **General Obligation Bonds Update**

Pauline presented the attached report on the Debt Service Schedule, which shows the principal will begin to drop in 2016-2017.

### **FY 13 Budget**

The FY 13 budget is VERY preliminary at this point. Pauline received confirmation on Friday afternoon that the retirement rate will not increase by 60% (from 13.23% to 20.8%) as expected, but will go up .78% from 13.23% to 14.01%. The dollar increase is approximately \$40,000, rather than the \$1.7M we expected. We are 2% higher than some districts because we do not participate in social security. MERS is going up 2.3% from 12.11% to 14.41%, approximately \$225,000.

Pauline distributed the attached health care cost report showing the annual percentage increases since 1992, which dropped off dramatically when we began participation in GHGRI in 2005-06; the

average increase since then is 7.23%. The TRUST advised to estimate a 5% increase for next year.

Diana asked about the teacher supply budget. Pauline and Melinda explained all curriculum related materials are supplied by the District. Teachers make their request to the department head for approval, it then goes to the building leader for approval, then on to the Assistant Superintendent, and if approved, then to Pauline. Funds can be moved from other places if it becomes necessary. Melinda stressed that instruction will be supported, things that will move our students forward.

Diana asked if the BEP has had much of an impact and is the STEM configuration requiring more materials. Mario Andrade said the Common Core Standards will have a bigger impact than the BEP and through the guidance of the Dana Center STEM is moving us away from resource based curriculum to textbook based; as we deepen our understanding, downloads will become a resource. Marj asked about e-readers. Melinda and Mario said they are definitely used at the high school, also iPads with autistic children and pre-schoolers. The way students learn is now very tactile, which will be budgetary concern moving forward. Pauline said that many initiatives are cost neutral.

Pauline said our copier contracts have been re-negotiated. A third-party review of transportation shows the contractor has done an excellent job within the current structure of bell time; the four-bell

**system is efficient.**

**Melinda has been in contact with Nate Levinson of the District Management Council in regards to performing an educational audit of the District; the audit is very costly and grant funding is being sought to cover it.**

**The BWEA Mediation Session on January 26 will be very telling of what the bottom line will be; Pauline has multiple scenarios built. Bill would like an additional Budget Subcommittee meeting besides the regular February 13th Facilities Focus and February 21 Budget Focus meetings; Tuesday, February 7th at 6:30 PM was agreed upon.**

**About the budget, Pauline further explained the \$850,000 positive balance in the FY 2011 budget is attributed to, 1) receipt of more ARRA funds than budgeted, 2) reduction in contributions to the retirement plan (11.25% or \$90,000), and 3) savings on SPED tuitions due to our in-District program. Of the \$850,000, \$400,000 went to the FY 12 budget, and the balance was assigned to the FY 13 budget in anticipation of the \$1.6M increase in retirement contributions; per policy 2% is reserved for cash flow plus 2% for emergencies.**

**The FY 12 budget was built without the \$536,000 in categorical aid that was unexpectedly received from the State. There is \$1.2M to bring in to the FY 13 budget; it will not cover the \$788,000 reduction due to the funding formula, the \$300,000 regional bonus cut, the**

non-replenishment of the \$866,000 Jobs Bill, and the anticipated \$1.7M reduction in State aid. This is not good business practice—we will not be spending much through FY 13 because of the moratorium and it will get us through, but we are setting up a structural deficit.

In response to John Saviano, Pauline said SMMA is certain the \$1.6M Asset Protection Plan approval will more than cover the facilities emergency at the high school. In response to Marj, Melinda explained planning for FY 14 is being done through the teachers' contract with a major redesign of how we deliver instruction.

David Barboza wished to make it clear, without being confrontational, that in his conversations with members of Joint Finance, there is no inclination to exceed the 4% cap. He said Warren is in a very perilous situation, having just had their bond rating lowered; he does not want to see again what had transpired last year. David said to ask for what we need and he will make every effort to see we get what we need. He announced there will be only one Joint Finance Committee meeting, as that is all that is needed, and there will be some procedural changes that he will discuss with the School Committee Chair.

Bill felt we need to report the amount we need, even if it is more than the 4%. David responded “that breeds contempt” and said to do what we need to do to come in at 4%. Melinda found David's tone disturbing and if the towns are cutting, she wondered about the

increases provided after Joint Finance last year. David said that was contractual and town employees took a pay freeze for one year, the unions took a 1% cut.

Bill said he strongly believes in truth of representation and it is his duty to make an accurate representation of the District, whatever than number is. Diana said Melinda and Pauline are doing a great job finding efficiencies; we are delivering a “Mercedes” education on a Chevy budget.

David said Joint Finance does not want to be painted as a villain; the District will have to build their budget within the 4%. This will be a difficult year because of Warren’s situation, because Mr. Herreshoff wants to cut the school budget by \$1M and because the Bristol Town Council does not want to raise taxes. He reiterated, “Build your budget on a realistic number – 4%.” David said the District is doing the right things but tough decisions will have to be made in the budget before we get to Joint Finance. He wants this year to be realistic and not be like last year’s meetings. Diana said we cannot control what people who will be getting cut will do.

Marj suggested the public go to their town council meetings to see what the towns are allocating for education and to come to the District’s meetings to see what we are allocating for things like debt service. David was 95% in agreement. Diana appreciates David attending this meeting and felt it might be good for Mr. Herreshoff to

**come, too.**

### **Joint Finance Budget Task Force**

**David said the Task Force has not been able to reach a quorum; if there is anything the District needs of the legislature, the Town is behind us 100%; the Council would like the State to re-address the regionalization bonus. Melinda would be very happy to have some support from the Town; the proposal of acceleration of the funding formula has serious implications. David said we are all here to achieve the same goals.**

### **Adjournment**

**MOTION: At 7:58 PM Diana Campbell motioned to adjourn. Bill O'Dell seconded. The motion passed unanimously.**

**/ca**